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December 4, 2012

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, DC 20554

Via Electronic Filing

Re: MB Docket 09-182, 2010 Quadrennial Review –Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; MB Docket 07-294, Promoting Diversification of Ownership in the Broadcasting Services

Dear Ms. Dortch:

On November 30, 2012, and again on December 3, 2012, I spoke briefly by telephone with Alex Hoehn-Saric, Policy Director for Commissioner Rosenworcel. The subject of both conversations was the Commission’s Quadrennial Media Ownership Review, and more specifically the continuing need to assess broadcast ownership levels among women and people of color carefully and thoughtfully before releasing a final order.

Free Press and others have emphasized repeatedly in recent meetings with staff that the Commission – before making any changes to its cross-ownership rules – must fully consider the impact of any such changes on broadcast ownership opportunities for women and people of color. Until the Commission conducts and completes such an analysis properly, there can be no argument for compromising the rules yet again, and no justification for voting out an order that fails to comply with the Third Circuit’s mandate in this regard.

There is no plausible way to separate the problem of decreased diversity from the increased consolidation that followed past policy changes, such as Congress’s decision in 1996 to increase the national television ownership cap from 25 percent to 35 percent; and the Commission’s decision in 1999 to permit local television duopolies. Both of these changes were followed by the sale to “non-minority” owners of stations previously licensed to diverse owners.

Free Press has submitted detailed evidence, in its comments in the current quadrennial review and prior proceedings, demonstrating the fact that increased consolidation both decreases the number of diverse owners in a market and raises barriers to entry by potential new owners from under-represented groups. Studies show that the level of consolidation in broadcast markets correlates with the level of diverse ownership, and that relaxation of ownership rules leads to loss of diversity in those markets. *See* Comments of Free Press, MB Dockets 09-182, 07-294 (filed Mar. 5, 2012), at section I(A)(2).

In sum, people of color and women remain dismally underrepresented in the media marketplace. Allowing increased media consolidation is exactly the wrong remedy for this longstanding problem. A preliminary analysis of current Form 323 data shows that relaxing the newspaper broadcast cross-ownership (“NBCO”) rule, specifically for newspaper-television combinations, is once again likely to decrease diverse ownership. Of the mere 48 full power commercial TV stations licensed to ethnic or racial minorities in the United States, 19 – or nearly 40 percent – are non-top-4 ranked stations in a top 20 Nielsen Designated Market Area (“DMA”). Under the Commission’s proposed rule change, all 19 of these stations would become eligible for sale to newspapers in the same markets. Relaxation of the NBCO rule would disproportionately affect these licensees.

Finally, and solely in the conversation on December 3rd, I responded to various press reports suggesting that the draft item would not permit “top TV stations” to acquire newspapers in these top 20 DMAs. I noted, for example, that Fox affiliates in some of the nation’s very largest media markets may not be ranked among the top 4 stations in those markets according to the test in Section 73.3555 of the Commission’s rules. For that reason, it is entirely possible that large media conglomerates with broadcast licenses in markets such as Los Angeles and Chicago could – and likely would – pursue daily newspaper properties in the same DMAs.

Pursuant to Section 1.1206(b) of the Commission’s rules, we file this *ex parte* notice electronically today in the above-captioned dockets. If you have any questions regarding this filing, please do not hesitate to contact me.

Respectfully submitted,

/s/ Matthew F. Wood

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